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 KEATING DENTAL ARTS, INC.

IN THE UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 SOUTHERN DIVISION

JAMES R. GLIDEWELL DENTAL
 CERAMICS, INC. dba GLIDEWELL
 LABORATORIES,

Plaintiff,

v.

KEATING DENTAL ARTS, INC.

Defendant.

Civil Action No.
 SACV11-01309-D0C(ANx)

**KEATING'S OPPOSITION
 TO GLIDEWELL'S MOTION
 FOR PARTIAL SUMMARY
 JUDGMENT RE
 TRADEMARK MISUSE,
 UNFAIR COMPETITION,
 UNCLEAN HANDS, FAIR
 USE, AND ESTOPPEL**

Honorable David O. Carter

AND RELATED COUNTERCLAIMS.

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Defendant Keating Dental Arts, Inc. (“Keating”) hereby submits its opposition to Plaintiff James R. Glidewell Dental Ceramics, Inc. dba Glidewell Laboratories’ (“Glidewell”) Motion for Partial Summary Judgment re Trademark Misuse, Unfair Competition, Unclean Hands, Fair Use and Estoppel.

This opposition is supported by the Declaration of Diane Mallos Donich (“Donich Decl.”), the Second Declaration of David Jankowski (“2nd Jankowski Decl.”), as well as certain declarations and exhibits filed by Keating on Monday, November 19, 2012 in connection with its Motions for Summary Judgment. Keating relies upon and incorporates by reference its Statement of Uncontroverted Facts and Conclusions of Law in Support of Its Motion for Summary Judgment Canceling Glidewell’s Trademark Registration [Doc. 87-1] (“Canceling SOF”) and its Statement of Uncontroverted Facts and Conclusions of Law in Support of Motion for Summary Judgment of Noninfringement of Glidewell’s BruxZir Trademark [Doc. 88-1] (“Noninfringement SOF”).

I. SUMMARY OF THE ARGUMENT

Glidewell’s motion for summary judgment is premature in seeking to dispose on summary judgment counterclaims and affirmative defenses of Keating that require a trier of fact. Glidewell, for example, seeks to dispose of Keating’s affirmative defenses of unclean hands, fair use, and estoppel. Yet Keating has ample evidence that supports each of these defenses that a reasonable juror may rely upon to find that the defense applies in this case. While Glidewell may believe it has rebuttal evidence to counter Keating’s evidence, it is not appropriate for the Court to resolve such disputes on summary judgment.

Glidewell also challenges Keating’s standing to bring an unfair competition claim under California’s unfair competition law. In fact, Keating has ample evidence that support Keating’s claim Glidewell has engaged in

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1 unlawful and unfair business practices, and further that Keating has suffered
2 economic harm derived from those business practices.

3 Glidewell also challenges Keating's counterclaim for trademark misuse as
4 not legally cognizable as an affirmative claim. Yet Glidewell has been misusing
5 its trademark to prevent Keating, and others, from using a long-standing generic
6 word widely used by the dental community to describe the primary users of the
7 products at issue. While district courts have not rushed to embrace trademark
8 misuse as a cause of action, the present case exemplifies why such a claim is
9 appropriate.

10 The portions of Glidewell's motion challenging Keating's affirmative
11 defenses are also in violation of Local Rule 7.3 because Glidewell did not raise
12 these challenges or any potential resolution regarding Keating's affirmative
13 defenses. These portions of Glidewell's motion may also be denied for failure
14 to comply with the Local Rules of this Court.

15 Finally, Keating does not oppose the portion of Glidewell's motion that
16 seeks dismissal of Keating's unfair competition claim under California common
17 law. Keating's interests are fully protected by its other counterclaims and
18 affirmative defenses, and Keating does not object to the Court granting that part
19 of Glidewell's motion.

20 **II. FACTUAL BACKGROUND**

21 Glidewell chose the mark BruxZir for its all zirconia crown because it
22 was a zirconia crown for bruxers (Canceling SOF ¶¶ 30-38, 45-46) and
23 Glidewell has advertised heavily to dentists nationwide that the crown is "ideal
24 for bruxers." (*Id.* ¶ 40.)

25 Glidewell admits that brux is a generic term for the act of grinding one's
26 teeth. (Jankowski Decl. [Doc. 91] Ex. 1 at 5.) Glidewell further admits that
27 "the term 'bruxer' refers to an individual who suffers from bruxism, a
28 parafunctional activity in which a person repeatedly and habitually grinds his

1 teeth.” (Appendix of Evid. [Doc. 90] Ex. I at ¶ 12.) Glidewell’s promotional
2 videos and video recorded testimony also establish that the terms BruxZir and
3 bruxer are pronounced identically by Glidewell’s employees. (Canceling SOF
4 ¶¶ 47-53.)

5 Glidewell’s employees admitted the name BruxZir was adopted because
6 it readily told dentists that the crown was made of zirconia and was to be used
7 for cases of bruxism, or for bruxers. (Canceling SOF ¶¶ 30-37.)

8 Many other labs that sell zirconia crowns, advertise that these crowns are
9 for bruxers. (Canceling SOF ¶ 62.) Dentists use the terms “bruxzir” or “bruxer”
10 to reference zirconia crowns for bruxers. (Canceling SOF ¶¶ 70-78.)

11 Glidewell’s trademark application for the mark BruxZir did not disclose
12 the meaning of the term in the dental industry. (Canceling SOF ¶¶ 88-96.) Nor
13 did Glidewell disclose that BruxZir was phonetically identical to the generic
14 word ‘bruxer’, the intended user of the product. (*Id.*)

15 Glidewell admits that it has been improperly using the ® sign in
16 connection with zirconia material, for which it does not have a trademark
17 registration. (Statement of Uncontroverted Facts [Doc. 79-2] ¶¶ 18-19.) While
18 Glidewell claims only three such instances have occurred and that these uses
19 were “inadvertent,” the evidence is to the contrary. Just in the few screenshots
20 of glidewelldental.com which Glidewell produced in this case, there is evidence
21 of Glidewell’s improper use of ® with products for which Glidewell does not
22 have a registration, such as “BruxZir® Mill,” “BruxZir® Coloring Liquid Kit,”
23 “BruxZir® Milling Blanks,” and “BruxZir® Processing Equipment.” (2nd
24 Jankowski Decl., Exs. 155-158.) Additionally, in email blasts Glidewell has
25 produced in this case, the ® is used in connection with “BruxZir® Milling
26 System” and in connection with their recycling program for milling blanks: “It
27 Pays to Recycle BruxZir® Solid Zirconia.” Glidewell also misuses the ® on
28 ///

1 stickers used to identify “authorized” labs which state, “Authorized BruxZir®
2 Laboratory.” (Jankowski Decl., Ex. 7 at 16, 18-19.)

3 Even though Glidewell admits that brux and bruxer are generic terms
4 used in connection with bruxers, the intended user of the BruxZir product,
5 Glidewell sent cease and desist letters to its competitors demanding that they
6 cease use of such generic and/or descriptive terms, brux and bruxer, in
7 connection with their competing crowns. (Noninfringement SOF ¶¶ 71-73.)

8 In its cease and desist letters, Glidewell admits that the terms BRUXER
9 and BRUXZIR “sound the same.” (Canceling SOF ¶¶ 51-52.)

10 Glidewell admits that it asserted its registration against the following:

- 11 • Z-Brux
- 12 • R-Brux
- 13 • Bruxer
- 14 • Bruxer Crown
- 15 • Bruxer All Zirconia
- 16 • Full Solid Bruxer Zirconia
- 17 • Zir-Bruxer

18 (Glidewell’s Statement of Uncontroverted Facts [Doc. 79-2] ¶ 9.)] In each case,
19 Glidewell sent a cease and desist letter to the lab threatening to pursue legal
20 action. (Noninfringement SOF ¶¶ 72-73.)

21 In at least one case, Glidewell sent a fake notice that a lawsuit had been
22 filed against the lab when in fact no such suit was ever filed. (Jankowski Decl.
23 [Doc. 91] Ex. 6 (Allred Dep. Tr.) at 221:5-222:16; Ex. 24.) In each cease and
24 desist letter, Glidewell claimed to have been using the mark BruxZir “for
25 years.” This was an untrue statement for many of the letters which were sent out
26 less than two years after Glidewell began using the BruxZir mark. (See
27 Jankowski Decl. [Doc. 91] Exs. 24-29.) Glidewell’s use began only in June
28 2009. (Canceling SOF ¶ 39.)

1 In at least the present case with Keating, Glidewell sent a letter
2 demanding that Keating not only change the name of its product, but also buy
3 Glidewell's product in order to avoid litigation. (Jankowski Decl. [Doc. 91] Ex.
4 19.)

5 Glidewell received several responses from dental labs disputing
6 Glidewell's claims and referencing evidence that dentists have used "bruxer" for
7 many years to refer to dental crowns. (Jankowski Decl. [Doc. 91] Exs. 24-25,
8 30, 32-33.)

9 Glidewell already enjoys a dominant market share in the dental lab
10 industry. Glidewell is the largest dental laboratory in the United States.
11 (Noninfringement SOF ¶8.) To illustrate the contrast in size between Glidewell
12 and other labs, Showcase Dental Laboratories, one of the labs that received a
13 cease and desist letter from Glidewell, filled 348 orders for their all zirconia
14 crown during the months of September and October 2012. (Frattura Decl. [Doc.
15 96] ¶ 5). Glidewell's own lab, on average, sells 120,000 units over the same
16 two-month period. (Jankowski Decl. [Doc. 91] Ex. 4 (DiTolla Dep. Tr.)
17 233:10-15.) When Glidewell's "authorized" labs are included in the numbers,
18 Glidewell accounts for 240,000 all zirconia crowns over a two month period.
19 (*Id.*)

20 Keating launched its KDZ Bruxer product in May 2011. (Canceling SOF
21 ¶ 70.) Keating chose "KDZ" to associate this product with another Keating
22 zirconia product, the "KDZ" or "KDZ Zirconia," which Keating had sold
23 continuously since 2006. (Noninfringement SOF ¶¶ 33-38.) Mr. Keating chose
24 the term "Bruxer" because his dentist clients kept asking him for a product they
25 could use with their bruxer patients. (Noninfringement SOF ¶¶ 29-40.) At the
26 time that Keating launched the KDZ Bruxer, it renamed its previous "KDZ"
27 product (that it had been selling since 2006) as the "KDZ Ultra" and also added
28 another product, the "KDZ Max" to this family of products. (*Id.*) Dentists

1 recognize the “KDZ” mark as indicating zirconia products from Keating. (*Id.* ¶
2 46.)

3 Keating disclaimed “Bruxer” in its trademark application. (Boatright
4 Decl. [Doc. 94] Ex. A at ¶¶ 40, 45, 53, 60; Ex. C.)

5 Glidewell filed the present action in August 2011. Although Keating
6 decided to defend the litigation, it recognized that litigation can be unpredictable
7 so it significantly scaled back on its advertisement and promotion of its new
8 KDZ Bruxer product. (Donich Decl. ¶ 3.) Initially, the sales of Keating’s KDZ
9 Bruxer product grew rapidly, but shortly after Glidewell filed this lawsuit, the
10 sales of Keating’s KDZ Bruxer product stagnated and even declined. (Donich
11 Decl. ¶4 & Ex. A.)

12 **III. LEGAL STANDARDS**

13 Summary judgment is proper if “the movant shows that there is no
14 genuine dispute as to any material fact and the movant is entitled to judgment as
15 a matter of law.” Fed. R. Civ. P. 56(a). A district court is to be cautious in
16 granting summary judgment, affording due respect for a party’s right to have its
17 factually grounded claims and defenses tried to a jury. *Celotex Corp. v. Catrett*,
18 477 U.S. 317, 327 (1986); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255
19 (1986). The court must view the facts and draw inferences in the manner most
20 favorable to the non-moving party. *United States v. Diebold, Inc.*, 369 U.S.
21 654, 655 (1992); *Chevron Corp. v. Pennzoil Co.*, 974 F.2d 1156, 1161 (9th Cir.
22 1962). For issues on which the movant bears the burden of proof, the movant
23 must present evidence satisfying its burden, and must show that the evidence is
24 so powerful that no reasonable jury would be free to disbelieve it. *Shakur v.*
25 *Schriro*, 514 F.3d 878, 890 (9th Cir. 2008); *Watts v. United States*, 703 F.2d
26 346, 347 (9th Cir. 1983); 11 *Moore’s Federal Practice* § 56.13[1] at 56-166
27 (3rd ed. 2009). Once the moving party meets its burden, the burden shifts to the
28 opposing party to set out specific material facts showing a genuine issue for

trial. *See Liberty Lobby*, 477 U.S. at 248-49. A “material fact” is one that “might affect the outcome of the suit under the governing law” *Id.* at 248.

IV. ASIDE FROM KEATING’S COUNTERCLAIM FOR UNFAIR COMPETITION UNDER CALIFORNIA COMMON LAW, THE COURT SHOULD DENY GLIDEWELL’S MOTION IN ITS ENTIRETY

A. This Court Should Recognize Keating’s Misuse of Trademark Claim As Legally Cognizable

Glidewell cites to no cases from the Ninth Circuit, or any other circuit, holding that a misuse of trademark claim cannot be legally cognizable. Nor does Glidewell cite to any cases from the Central District of California for this broad proposition. Instead, Glidewell relies on district court cases that have chosen not to recognize such a claim, most notably *Juno Online Services L.P. v. Juno Lighting, Inc.*, 979 F. Supp. 684, 690 (N.D. Ill. 1997). While the *Juno* court opted not to recognize trademark misuse as a cognizable claim in the case before it, the court acknowledged that such a claim may be proper under certain facts. “Perhaps a court may choose to recognize a new cause of action in a situation in which the mark holder does attempt to destroy its competitors through the use of its mark.” *Juno Online Services L.P. v. Juno Lighting, Inc.*, 979 F. Supp. 684, 690 (N.D. Ill. 1997). Likewise, legal scholars have advocated for courts to recognize trademark misuse as a cognizable cause of action. *See* William E. Ridgway, *Revitalizing the Doctrine of Trademark Misuse*, 21 BERKELEY TECH. L.J. 1547 (2006).

Here, the court is faced with facts for which a trademark misuse claim is proper. Glidewell has been attempting to destroy competition for all-zirconia crowns by relying on its trademark registration to prevent competitors from using generic and descriptive terms, such as “brux” and “bruxer” to identify and describe their products. (Noninfringement SOF ¶¶ 71-73.) In the case of Keating specifically, Glidewell has attempted to require it to buy Glidewell

1 products in order to avoid a lawsuit. (Jankowski Decl. [Doc. 91] Ex. 19.) When
2 encountering competitor dental labs using “Bruxer” in the name of their all-
3 zirconia crowns, Glidewell has tried to get the competitor to purchase zirconia
4 from Glidewell. (Jankowski Decl., Ex. 19, 24-34.) In one such instance,
5 Glidewell falsely informed the competitor that it had filed a lawsuit against
6 them, which was a false statement. (Jankowski Decl. [Doc. 91] Ex. 6 (Allred
7 Dep. Tr.) at 221:5-222:16; Ex. 24.)

8 As the largest dental lab in the United States, Glidewell’s volume of sales
9 of all zirconia crowns far exceeds that of other labs. (*Compare* Frattura Decl.
10 [Doc. 96] ¶ 5 with Jankowski Decl. [Doc. 91] Ex. 4 (DiTolla Dep. Tr.) 233:10-
11 15.) Glidewell knows that other dental laboratories lack the resources to bear
12 the litigation costs associated with contesting a trademark infringement claim in
13 federal court. Glidewell has used this awareness to stop other labs from using
14 marks containing terms such as “Bruxer” and “Brux” to refer to their all-
15 zirconia crowns for bruxers, thereby hampering their ability to compete with
16 Glidewell in the market share for all-zirconia crowns.

17 Glidewell has widely promoted its all-zirconia crowns as “ideal for
18 bruxers,” and the record is clear that Glidewell’s intent when launching the
19 product was to provide a crown “indicated for bruxers.” (Canceling SOF ¶¶ 30-
20 46.) As the Supreme Court has explained, the Lanham Act was not meant “to
21 deprive commercial speakers of the ordinary utility of descriptive words.” *KP*
22 *Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122, 125
23 S. Ct. 542, 550 (2004). The Court also discussed “the undesirability of allowing
24 anyone to obtain a complete monopoly on use of a descriptive term simply by
25 grabbing it first.” *Id.* That is exactly what Glidewell is trying to do with its
26 BruxZir mark.

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1 In explaining its efforts to prevent others from using the descriptive terms
 2 “brux” and “bruxer,” Glidewell claimed it has the right to do so because it was
 3 the first to offer a crown indicated for bruxers and to indicate that in the name of
 4 their product. (Mangum Decl. [Doc. 92] Ex. 50 (Shuck Dep. Tr.) 41:1-42:3;
 5 86:8-87:7; 176:19-178:22.) This admission illustrates that Glidewell is
 6 attempting to use its trademark registration to gain something akin to patent
 7 rights, seeking to prevent competitors from selling all-zirconia crowns for use
 8 with bruxers or in brux cases. This is counter to the trademark law policy of
 9 promoting competition.

10 If Glidewell can become the only provider of all zirconia crowns that is
 11 able to use “brux” or “bruxer” in the name to describe to dentists that its product
 12 is a crown indicated for bruxers, dentists will only find Glidewell when
 13 searching for such a crown. This is Glidewell’s strategy: to illegally destroy
 14 competition and increase its market share through misuse of its improperly
 15 issued trademark registration.

16 For these reasons, Keating respectfully submits that the facts of this case
 17 support its claim for trademark misuse.

18 **B. Keating Has Standing to Bring An Unfair Competition Claim Under**
 19 **California’s Unfair Competition Law**

20 Glidewell argues that Keating lacks standing to bring an unfair
 21 competition claim under California’s Unfair Competition Law (“UCL”).
 22 (Memo. at 8–11.) Glidewell is wrong.

23 To satisfy the standing requirements of California’s UCL, a party need
 24 only “(1) establish a loss or deprivation of money or property sufficient to
 25 qualify as injury in fact, i.e. economic injury, and (2) show that that economic
 26 injury was the result of, i.e., caused by, the unfair business practice or false
 27 advertising that is the gravamen of the claim.” *Kwikset Corp. v. Superior Court*,
 28 51 Cal. 4th 310, 322 (2011). Keating has evidence supporting both prongs.

1 Keating has evidence of an economic loss qualifying as an injury in fact
 2 that has resulted from Glidewell's unfair business practices. Specifically,
 3 Keating has produced financial records showing that sales of its KDZ Bruxer
 4 product climbed steadily after it launched the product in May 2011 until shortly
 5 after Glidewell initiated this lawsuit, after which time its sales stagnated and
 6 declined. (Donich Decl. ¶ 4, Ex. A.) Due to Glidewell's trademark
 7 enforcement practices, including this lawsuit, Keating scaled back its
 8 advertising of the KDZ Bruxer product to mitigate any liability for the product.
 9 (Donich Decl. ¶ 3.) Keating has also lost business from dentists who stopped
 10 ordering Keating's KDZ Bruxer product once they learned that Keating was
 11 defending a lawsuit brought against it based on the KDZ Bruxer product.
 12 (Brandon Decl. ¶¶ 9-10 (showing two dentists who stopped ordering all-zirconia
 13 crowns after hearing about Glidewell's enforcement action).)

14 This evidence bestows Keating with standing to make its unfair
 15 competition claim under Cal. Bus. & Prof. Code § 17200.

16 **C. Keating Has Evidence That At A Minimum Creates A Genuine Issue**
 17 **Of Material Fact Regarding The Merits Of Its Claim Of Unfair**
 18 **Competition Under The UCL**

19 Glidewell's motion includes a lengthy section that argues that Keating's
 20 unclean hands counterclaim fails on the merits. (Memo. at 12–21.) In this
 21 section, Glidewell appears to try to anticipate and address in advance all of
 22 Keating's arguments and evidence in support of this counterclaim. Glidewell's
 23 effort is in vain.

24 California's UCL applies to business practices that are either "unlawful"
 25 or "unfair." "By proscribing 'any unlawful' business practice, section 17200
 26 'borrows' violations of other laws and treats them as unlawful practices that the
 27 unfair competition law makes independently actionable." *Cel-Tech*
 28 *Communications, Inc. v. Los Angeles Cellular Tel. Co.*, 20 Cal. 4th 163, 180

1 (1999). “Conduct is ‘unfair’ if it threatens an incipient violation of an antitrust
2 law, or violates the policy or spirit of one of those laws because its effects are
3 comparable to or the same as a violation of the law, or otherwise significantly
4 threatens or harms competition.” *TYR Sport, Inc. v. Warnaco Swimwear, Inc.*,
5 709 F. Supp. 2d 821, 838 (C.D. Cal. 2010).

6 As discussed above, Keating has standing to bring its unfair competition
7 claim under the UCL against Glidewell and, at a minimum, a triable issue of
8 fact remains such that summary judgment on Keating’s counterclaim is
9 inappropriate.

10 If this Court recognizes Keating’s action for trademark misuse as a
11 legally cognizable claim, then Glidewell’s business practices giving rise to that
12 cause of action is an unlawful practice sufficient for a claim under the California
13 UCL. Even if this Court does not recognize Keating’s action for trademark
14 misuse, Glidewell’s business practices still satisfy the “unfair” prong of the law
15 because they violate “the policy or spirit” of the trademark and antitrust laws
16 and threaten and harms competition. *See id.* Glidewell’s actions harm
17 competition by preventing competitors from describing their product by using a
18 descriptive term for the intended users of the product in the product name.

19 Among other things, the evidence shows that Glidewell sent Keating a
20 cease-and-desist letter that included not only a demand that Keating change its
21 name, but also a demand that Keating begin purchasing zirconia from Glidewell.
22 The evidence further shows that Glidewell also sent numerous cease-and-desist
23 letters to other competing dental labs seeking to prevent lawful competition by
24 asserting its improperly registered mark against competitors using the generic
25 terms “brux” and “bruxer” to identify their product. In some of those letters,
26 Glidewell made false statements to coerce the competitors using the generic
27 terms “brux” and “bruxer” into ceasing use of their marks. These include the
28 false claim that Glidewell had filed a lawsuit against the competitor, and that it

1 had been using its BruxZir mark for years. (Jankowski Decl. [Doc. 91] Ex. 6
 2 (Allred Dep. Tr.) at 221:5-222:16; Exs. 24-29.) This evidence is sufficient for a
 3 jury to reasonably find that Glidewell has committed unfair competition by
 4 improperly asserting its trademark registration to prevent lawful competition.

5 The evidence further shows that Glidewell adopted the term “zir” in
 6 BruxZir to indicate zirconia, a characteristic of the dental crown, and it adopted
 7 the term “brux” in BruxZir to identify brux, or bruxism, a condition for which
 8 zirconia crowns are commonly prescribed. (Canceling SOF ¶¶ 30-38.) As
 9 dentists and dental labs routinely refer to patients who have bruxism as bruxers,
 10 the terms brux and bruxer are words that describe the class of intended users.
 11 Glidewell has sent cease and desist letters to dental labs that use “brux” or
 12 “bruxer” in a descriptive sense to identify their product as one indicated for use
 13 with bruxers. Keating is one of these labs.

14 The evidence shows that Glidewell’s actions have been designed to deter
 15 competing labs from accurately describing their products so that more dentists
 16 will be directed to Glidewell, or Glidewell’s “authorized” labs, for all zirconia
 17 crowns for bruxers. At a minimum, Glidewell’s actions threaten or harm
 18 competition and violate at least the spirit of the anti-trust laws found in 15
 19 U.S.C § 2 which proscribes any “attempt to monopolize . . . any part of the trade
 20 or commerce among the several States.” Glidewell’s actions harm competition
 21 by preventing competitors from describing their product by using admittedly
 22 descriptive terms for the intended users of the product in the product name.

23 **D. Keating Has Evidence That At A Minimum Creates A Genuine Issue**
 24 **Of Material Fact Regarding The Merits Of Its Affirmative Defense of**
 25 **Unclean Hands**

26 Glidewell’s motion also argues that Keating’s affirmative defense of
 27 unclean hands fails on the merits. (Memo. at 12–21.) Again, Glidewell appears
 28 to be trying to anticipate and address in advance all of Keating’s arguments and

1 evidence in support of this affirmative defense. Again, Glidewell's effort is in
2 vain.

3 "The doctrine of unclean hands 'bars relief to a plaintiff who has violated
4 conscience, good faith or other equitable principles in his prior conduct, as well
5 as to a plaintiff who has dirtied his hands in acquiring the right presently
6 asserted.'" *Pom Wonderful LLC v. Welch Foods, Inc.*, 737 F. Supp. 2d 1105,
7 1109 (C.D. Cal. 2010) (quoting *Dollar Systems, Inc. v. Avcar Leasing Systems,*
8 *Inc.*, 890 F.2d 165, 173 (9th Cir. 1989)). Glidewell dirtied its hands in its
9 prosecution of the trademark BruxZir by not informing the trademark examiner
10 of the meaning of the mark within the dental industry, i.e., that the mark was
11 phonetically equivalent to the intended user—bruxer—and that dentists
12 understood brux to refer to bruxism and zir to refer to zirconia. (Canceling SOF
13 ¶¶ 88-96.)

14 While it is the trademark examiner's responsibility to request the meaning
15 of a mark from the applicant and a trademark applicant has no affirmative duty
16 to disclose a mark's meaning to the trademark examiner, Glidewell had reason
17 to know that the examiner did not understand the meaning of the term and knew
18 that the examiner did not inquire as to the meaning. Mr. Allred testified that it
19 took only about three months for the application of the BruxZir mark to obtain
20 allowance, which he admits is "pretty fast." (Jankowski Decl. [Doc. 91] Ex. 6
21 (Allred Dep. Tr.) 117:1-18.)

22 Because the Trademark Examiner failed to inquire about the meaning of
23 BruxZir, Glidewell's in-house counsel Mr. Allred, who was experienced in
24 prosecuting trademarks, knew that the examiner did not fully understand the
25 meaning or significance of the mark or its parts, and he further knew that the
26 mark had not been properly analyzed prior to its registration. (Canceling SOF
27 ¶¶ 88-96.) Mr. Allred knew that "BruxZir" and "bruxer" were pronounced the
28 same, and he used that fact against Glidewell's competing dental labs in his

1 cease-and-desist letters. Yet Mr. Allred never informed the Trademark
2 Examiner that the words were pronounced the same. Glidewell knew, or should
3 have known, that had the meaning and significance of “brux,” “bruxer,” and
4 “zir” been presented to the Trademark Examiner, and the identical
5 pronunciation between “BruxZir” and “bruxer,” the Trademark Office would
6 likely not have allowed the registration. Glidewell chose to remain silent in
7 order to have the presumption of a valid mark that comes with registration.
8 After receiving the registration, Glidewell began aggressively asserting it
9 against Keating and other competing dental labs who wished to use the generic
10 terms “brux” and “bruxer” to describe their products.

11 In addition, Glidewell has made false statements in its cease and desist
12 letters to competitors claiming in at least one letter to have filed a lawsuit
13 against the competitor, when it had not. In other cases, it claimed to have been
14 using the BruxZir mark for years, which also was not true. Such statements
15 were made to coerce its competitors into ceasing use of their marks.

16 Glidewell has also made an improper use of the BruxZir® designation,
17 applying it to products for which it does not have a registration. For example,
18 Glidewell sells zirconia “blanks” to dental labs across the country using the
19 mark BruxZir. While Glidewell has applied for a registration for this use of the
20 mark, the Trademark Office has not yet granted Glidewell a registration for use
21 with dental ceramics. Glidewell has repeatedly designated its zirconia blanks
22 with the circle ® designation in its marketing materials, despite the lack of a
23 registration. Similarly, Glidewell sells equipment to dental labs, including
24 milling machines and sintering ovens for use with all-zirconia crowns, under the
25 BruxZir mark. Glidewell does not have a registration for this use of the mark,
26 yet it has repeatedly designated this equipment with the circle ® designation in
27 its marketing materials. Glidewell has done the same wrongful marking for
28 other products associated with its all-zirconia crowns, including coloring agents.

1 In effect, Glidewell has taken its sole trademark registration in BruxZir,
 2 which is limited to use with dental restoration products, and treated the ® as if it
 3 could be applied to any Glidewell product named “BruxZir.” This conduct
 4 falsely informs the dental industry that Glidewell has a registration in the name
 5 on all of these product types.

6 For at least all of the above reasons, Glidewell should not be afforded any
 7 relief from this Court because it comes to this Court with unclean hands.

8 Procedurally, the portion of Glidewell’s motion directed at this
 9 affirmative defense is in violation of Local Rule 7.3 because Glidewell did not
 10 discuss this challenge, and any potential resolution, during the parties’ meet-
 11 and-confer on the motion. (2nd Jankowski Decl. ¶ 22 & Ex. 159.) Accordingly,
 12 the Court may further deny this aspect of Glidewell’s motion on procedural
 13 grounds.

14 **E. Keating Has Evidence That At A Minimum Creates A Genuine Issue**
 15 **Of Material Fact Regarding The Merits Of Its Affirmative Defense of**
 16 **Fair Use**

17 As provided in the Lanham Act (“the Act”), and as Glidewell
 18 acknowledges, the classic fair use defense contains three elements: defendant’s
 19 use must be 1) other than as a trademark, 2) fair and in good faith, and 3) only to
 20 describe the defendant’s goods and services. 15 U.S.C. § 1115(b)(4). To
 21 understand whether a term is being used “as a trademark,” however, one must
 22 look at the definition of “trademark” as stated in the Act. A trademark is “any
 23 word, name, symbol, or device” which a person uses “to *identify and distinguish*
 24 . . . goods . . . from those manufactured or sold by others and to indicate the
 25 source of the goods.” 15 U.S.C. § 1127 (2006) (emphasis added).

26 Given the definition of a “trademark,” the requirement that a fair use be
 27 “otherwise than as a mark” does not mean that the descriptive terms at issue
 28 cannot be included as part of a name or mark. Rather, it emphasizes that the use

1 of the descriptive terms must be to describe the characteristics or qualities of the
2 goods instead of to “identify and *distinguish*” the goods and services as those of
3 the defendant. This distinction is important for it reconciles the concept of
4 protecting descriptive terms that have acquired secondary meaning
5 (distinctiveness), *see Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*,
6 305 U.S. 315 335-36 (1938), with the concept that a merchant has the right to
7 use descriptive terms fairly to describe its goods and services. *See Del. &*
8 *Hudson Canal Co. v. Clark*, 80 U.S. 311, 327 (1872); *see also White Swan v.*
9 *Nature Co.*, No. 93-35213, 1994 U.S. App. LEXIS 17791, *3 (9th Cir. July 15,
10 1994) (finding use of “Hummingbird Seed Mix” to be a fair use even though
11 “Hummingbird Garden” was a registered mark for the same product). Other
12 circuits have reached similar conclusions. *See Microware Systems Corp. v.*
13 *Apple Computer, Inc.*, 238 F.3d 989 (8th Cir. 2001) *aff’g* 126 F. Supp. 2d 1207
14 (S.D. Iowa 2000) (holding Apple’s use of “Mac OS 9” was a fair use against the
15 trademark “OS-9” for software products); *Leathersmith of London, Ltd. v.*
16 *Alleyn*, 695 F.2d 27 (1st Cir. 1982) (finding “TANTALUS Custom
17 Leathersmiths & Bookbinders” was a fair use against asserted trademark
18 “Leathersmith”); *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980)
19 (holding use of “larvicide” in the names and marks “Rabon Oral Larvicide” and
20 “Shell Poultry Spray & Larvicide” to be a fair use, notwithstanding the
21 existence of an incontestable registration for the term “Larvacide” for a grain
22 fumigant); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir.
23 1976) (finding boots with names “Camel Safari,” “Hippo Safari,” and “Chukka
24 Safari” to be fair uses against “Safari” trademark for outer garments, sporting
25 goods, and apparel). In each case, the asserted mark was used as part of the
26 allegedly infringing mark, but each was found to be a fair use. So long as the
27 use is other than as a mark (not used to identify *and distinguish*), fair and in
28 good faith, only to describe the defendant’s goods and services, it is a fair use.

1 In the present case, Keating's use of "Bruxer" is other than as a mark
 2 because it is not being used to identify *and distinguish*. "Bruxer" alone does not
 3 distinguish Keating's product from the product of any other dental lab that
 4 offers a crown meant to be used for bruxers. It only describes the class of
 5 intended consumers which makes it a descriptive term in Keating's mark. The
 6 only way Keating's mark distinguishes the product as being from Keating is
 7 through the preceding initials "KDZ." Keating has, in fact, disclaimed the term
 8 "bruxer" in its trademark application as being descriptive and is thus claiming
 9 no trademark rights in the term. (Boatright Decl. [Doc. 94] Ex. A at ¶¶ 40, 45,
 10 53, 60; Ex. C.) Furthermore, the use of "Bruxer" is in good faith as Mr. Keating
 11 chose the term because his dentist clients kept asking him for a product they
 12 could use with their bruxer patients. (Noninfringement SOF ¶¶ 29-40.)

13 Procedurally, the portion of Glidewell's motion directed at this
 14 affirmative defense is in violation of Local Rule 7.3 because Glidewell did not
 15 discuss this challenge, and any potential resolution, during the parties' meet-
 16 and-confer on the motion. (2nd Jankowski Decl. ¶ 22 & Ex. 159.) Accordingly,
 17 the Court may further deny this aspect of Glidewell's motion on procedural
 18 grounds.

19 **F. Keating Has Evidence That At A Minimum Creates A Genuine Issue**
 20 **Of Material Fact Regarding The Merits Of Its Affirmative Defense of**
 21 **Estoppel**

22 "Equitable estoppel prevents a party from assuming inconsistent positions
 23 to the detriment of another party." *United States v. Georgia-Pacific Co.*, 421
 24 F.2d 92, 96 (9th Cir. 1970). "The doctrine of equitable estoppel provides that a
 25 person may not deny the existence of a state of facts if he intentionally led
 26 another to believe a particular circumstance to be true and to rely upon such
 27 belief to his detriment." *Cox v. Ocean View Hotel Corp.*, 533 F.3d 1114, 1123
 28 (9th Cir. 2008).

1 Glidewell has extensively advertised that its all zirconia crown is “ideal
2 for bruxers” and “indicated for bruxers.” When Glidewell first launched its
3 BruxZir product, it made it very clear that the primary intended user of the
4 crown was a bruxer patient. In fact Glidewell stated on its website and in an
5 email it sent to approximately 100,000 dentists around the country, “When we
6 launched Bruxzir Solid Zirconia crowns & bridges in 2009, *our intention was*
7 *to provide a monolithic zirconia restoration indicated for bruxers and grinders*
8 as an esthetic alternative to posterior metal occlusal PFMs and full-cast metal
9 restorations.” (Jankowski Decl., Ex. 7 at 2 (emphasis added); Mangum Decl.,
10 Ex. 50 at 52:18-53:22.) Explaining the meaning of the BruxZir mark, Mr.
11 Shuck, Glidewell’s Vice President of Marketing stated, “That’s why we picked
12 the name, because . . . if you see brux or you identify somebody with brux or
13 bruxism, think of zirconia. So we put brux and zir together.” (Canceling SOP
14 ¶ 31.)

15 The dental industry, including Keating, accepted and relied upon these
16 assertions from Glidewell, which is evidenced by the numerous all zirconia
17 crowns that are advertised as being for bruxers, many using the terms “brux”
18 and “bruxer” in the name. (Canceling SOP ¶ 62.) As other labs had done,
19 Keating also developed an all zirconia crown for bruxer patients.
20 (Noninfringement SOP ¶ 29-35.) After seeking advice of counsel, Keating
21 decided to describe its new crown as being for bruxers by indicating this target
22 user “bruxer” in its name. (Noninfringement SOP ¶ 37-40.)

23 Glidewell realizes that if “bruxer” is in fact a class of intended users as
24 they have previously claimed in widespread advertising, then their case against
25 Keating, and any other lab using a form of “brux” to describe an all zirconia
26 crown, must fail. If “bruxer” is a class of intended users, then as discussed
27 above, “Bruxer” is highly descriptive and not entitled to trademark registration
28 without evidence of secondary meaning (which Glidewell has failed to submit).

1 Likewise, “BruxZir” as a phonetic equivalent of bruxer and is also not entitled
2 to trademark registration.

3 In actions to enforce its BruxZir trademark, Glidewell is now taking the
4 position that its competitors’ use of “bruxer” is not a descriptive use but rather
5 an infringing one. In order to substantiate their claims, Glidewell is retreating
6 from its earlier position that an all zirconia crown is “ideal for bruxers” and
7 trying to assert that it is used for much more. (*See, e.g.*, Glidewell’s Statement
8 of Uncontroverted Facts [Doc. 81-2] ¶¶ 9, 11; Jankowski Decl. [Doc. 91] Ex. 6
9 (Allred Dep. Tr.) 245:18-246:1.) These arguments ignore the extensive
10 evidence that when Glidewell began using the name BruxZir, the primary class
11 of intended users was bruxers. Bruxers remain a primary class of intended users
12 for Glidewell’s all-zirconia crown today, and Glidewell should be estopped
13 from claiming otherwise and enforcing its mark against parties, like Keating,
14 that are only using the generic term “bruxer” or “brux” to describe a class of
15 intended users for their product.

16 Procedurally, the portion of Glidewell’s motion directed at this
17 affirmative defense is in violation of Local Rule 7.3 because Glidewell did not
18 discuss this challenge, and any potential resolution, during the parties’ meet-
19 and-confer on the motion. (2nd Jankowski Decl. ¶ 22 & Ex. 159.) Accordingly,
20 the Court may further deny this aspect of Glidewell’s motion on procedural
21 grounds.

22 **V. CONCLUSION**

23 Keating does not oppose Glidewell’s motion seeking dismissal of Keating’s
24 counterclaim for unfair competition under California common law.

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1 Aside from this one exception, for the reasons discussed above, Keating
2 respectfully requests that the Court deny Glidewell's motion.

3 Respectfully submitted,

4 KNOBBE, MARTENS, OLSON & BEAR, LLP

5
6 Dated: Nov. 26, 2012

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